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PROFIT SHARING BY AMERICAN EMPLOYERS. Pp. 261. Price, \$2.00. New York: Welfare Department, The National Civic Federation, 1916.

During recent years numerous attempts have been made by employers to establish schemes whereby "employees would receive some share in the earnings of the business in addition to their fixed regular wages. . . . These wage additions have been indiscriminately termed 'profit sharing' and they have been regarded by many employers and a few eminent students of industrial tendencies as forecasting a final 'solution of the labor problem.'"

"Because of the desire of many employers for exact information on the workings of these plans, and public interest in the claims made for profit sharing as a general remedy for labor difficulties, The Welfare Department of the National Civic Federation has made an extensive investigation and analysis of more than 200 plans in the United States, embodying the idea in one form or another of extra payments to labor."

The analysis of each of these plans is given in brief and discloses three main types of "profit-sharing" plans as follows:

- "1. Percentage of profit plan
2. Special distributions or gratuities
3. Stock ownership plan"

This comprehensive and complete survey of employers' experience in profit sharing shows them to be not at all agreed in the approving of it as a means of increasing efficiency and improving industrial relationships. The study contains the opinions in considerable detail of many of the leaders of organized labor. These opinions are almost unanimously opposed to the principle of profit sharing.

This study is open to all the criticisms that the questionnaire method of studying a problem is subject. It is primarily a second-hand expression of employers' opinion, supplemented by more opinion by the representatives of organized labor,—not the opinion necessarily of those who actually worked under the particular system in question. It may properly be asked whether more intensive first-hand studies in a few of the plants where more successful profit-sharing system had been installed might not have revealed more about "profit sharing as a solution to the labor problem" than such a broad second-hand survey.

JOSEPH H. WILLITS.

University of Pennsylvania.

COMMERCE AND TRANSPORTATION

BROWN, HARRY GUNNISON. *Transportation Rates and Their Regulation*. Pp. xii, 347. Price, \$1.50. New York: The Macmillan Company, 1916.

This work presents a complete theory of transportation rates and their regulation. Starting with the general assumptions that traffic receipts as a whole must cover the entire cost of transportation, yielding a fair return on actual investment, and that each item of traffic must pay a rate high enough to cover the additional expenditure which it occasions, the author shows how the influence of conditions of monopoly and competition in the transportation business causes charges to have widely varying relations to the cost of the service, and discusses

in detail the economic justice or injustice of the various forms of discrimination in transportation rates. A brief history of the development of rate regulation in the United States is given and this is followed by a searching analysis of principles followed by the Interstate Commerce Commission in their work of determining what constitutes reasonable rates under varying circumstances. The final chapter deals with the general question of government interference with, and encouragement of, transportation.

While presenting little that is new concerning the general problem of transportation charges, Professor Brown has performed a service in bringing together in compact form and presenting in a concrete manner the several phases of the problem, and moreover he makes a distinct contribution to the literature of the subject by applying to all phases of the problem the test of "economy" from a national standpoint. He does not for an instant lose sight of the fact that he is proposing a general *theory* of transportation charges, and the touchstone of validity of his conclusions is the result of their application upon the welfare of the public,—“public” including not only those who are served by transportation agencies, but the transportation agencies as well. His frank and able criticism of “government coddling” of private business by subsidies and other forms of “protection” is a timely contribution.

T. W. V. M.

FERGUSON, MAXWELL. *State Regulation of Railroads in the South*. Pp. 228. Price, \$1.75. New York: Columbia University Press, 1916.

An historical account of the development of railroad regulation in the Southern States. Though the present system of regulation shows a marked improvement over conditions a few years ago, the author feels, in common with nearly all other students of transportation, that because of the inherent weaknesses of railroad regulation by states and the ever growing problem of conflict between state and federal regulation, the supervision of the railroad business by the states should be supplanted and the work be entrusted for the most part to the federal government.

T. W. V. M.

LABOR PROBLEMS

FRANKFURTER, FELIX, assisted by GOLDMARK, JOSEPHINE. *The Case for the Shorter Work Day; Brief for Defendant in Error*. (*Franklin O. Bunting vs. The State of Oregon*.) Pp. xv, 1021. (2 vols.) New York: National Consumers' League, 1916.

This brief represents the defense in the case recently argued before the Supreme Court of the United States limiting the hours of labor to ten in one day. It follows the line of argument in similar cases, presenting the literature of fatigue and dealing with the physical, economic and social aspects of regulation. The brief was prepared under the direction of Louis D. Brandeis, but was argued by Professor Frankfurter because of the appointment of the former to the Supreme Court Bench. The argument was contributed by Professor Frankfurter. This case is the first in which the statute under review has included the work of men.

A. F.